

Imperial County Economic Forecast

Imperial County is one of the southern-most counties in California. The county shares a border with San Diego County to the west, the state of Arizona to the east, and Mexico to the south. The 2004 population was 161,800 people, and there are 51,200 wage and salary jobs located in the county. The per capita income in Imperial County is \$20,000, and the average salary per worker is \$33,710.

Economic growth in the Southern California region was impressive in 2004, compared to the northern half of the state. Imperial County, however, was the only Southern California county that showed no positive job growth last year. In 2004, 700 wage and salary jobs were lost in the county, representing a decline in total employment of 1.4 percent. Non-farm job growth declined 0.8 percent. The unemployment rate fell in 2004, but still remains very high at 17.3 percent. This high unemployment rate is largely due to a large farm sector which comprises in excess of 20 percent of total employment in the county. This percentage has been declining, however, and as it declines so will the unemployment rate.

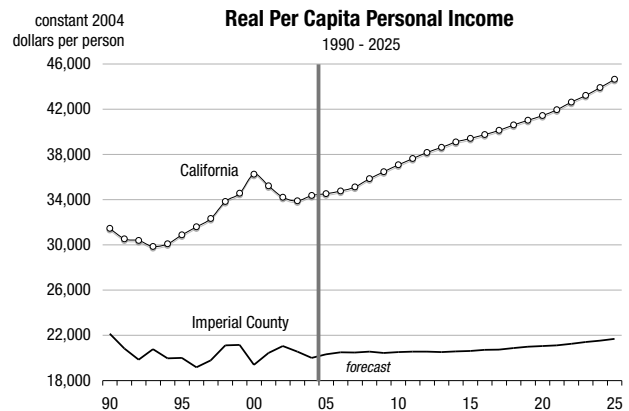
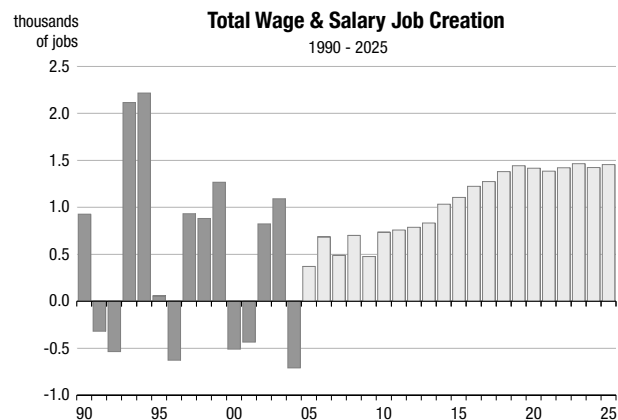
The principal employment sectors in Imperial County are farm, retail trade, and government. Government accounts for over 32 percent of total employment, and retail trade accounts for almost 13 percent. Over the next five years farm employment is expected to decline, while retail trade and government will be responsible for most of the job growth in the county.

The population of Imperial County is growing at a rate of 3 percent per year. Calexico and El Centro are the two largest cities in the county, and also the fastest growing at rates of 5.4 and 2.5 percent, respectively.

Employment growth will turn positive in Imperial County in 2005, and remain so over the next several years. The extent of job creation, however, will remain modest. The population is expected to continue to grow at a rapid rate over the next several years.

Forecast Highlights

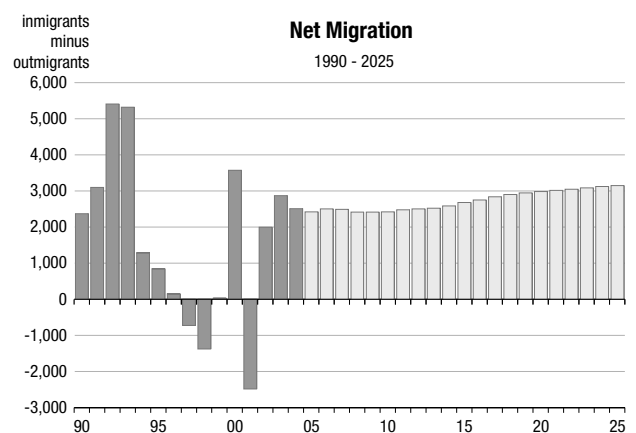
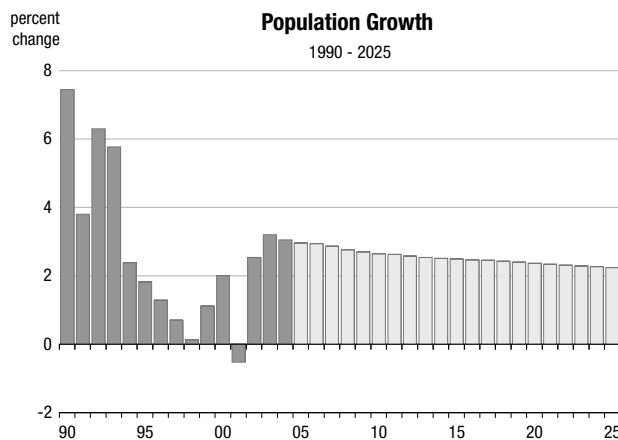
- Job growth is expected to increase in 2005, averaging 0.7 percent. Over the next five years, the average annual growth rate is 1.2 percent per year. Non-farm employment will increase, while farm employment will continue to decline.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 0.4 percent per year over the next 5 years.
- Government and retail trade are the growth engine of jobs in Imperial County. The two sectors are forecast to account for over 83 percent of total job creation over the next five years. Farm employment is expected to decline by an average of 0.8 percent per year.
- The population will continue to grow in the county, but at a slightly slower pace than the 2004 rate. Annual growth in the 2005 to 2010 period averages 2.8 percent per year.
- Net migration declines slightly in 2005 to 2,425 persons. The forecast of net migration indicates an average of 2,450 people entering the county per year over the next five years.
- Real per capita incomes increase at a rate of 1.6 percent in 2005. An annual compound rate of growth of 0.2 percent is forecast over the next 5 years.
- Industrial production will increase by 3.5 percent in 2005. Over the next five years, the growth rate of industrial production will average 3.8 percent per year.



Imperial County Economic Forecast

1995-2004 History, 2005-2025 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1995	139,500	851	115.3	37.3	497	\$1.0	\$2.2	\$20,005	1.6	1,260	255.8	29.2
1996	141,300	153	117.9	37.8	331	\$1.0	\$2.2	\$19,167	1.7	1,160	274.1	29.4
1997	142,300	-723	106.7	38.2	327	\$1.1	\$2.3	\$19,788	1.7	1,256	287.2	26.5
1998	142,500	-1,376	108.8	38.6	394	\$1.1	\$2.5	\$21,103	1.4	1,290	305.6	25.8
1999	144,100	32	112.1	38.9	333	\$1.3	\$2.6	\$21,148	2.3	1,216	322.9	23.4
2000	147,000	3,578	115.1	39.4	677	\$1.4	\$2.5	\$19,385	3.3	1,036	344.3	26.0
2001	146,230	-2,483	117.4	39.7	756	\$1.4	\$2.7	\$20,431	3.4	1,101	354.6	21.7
2002	149,948	2,001	127.0	40.5	1,062	\$1.4	\$3.0	\$21,059	2.8	1,298	431.6	19.1
2003	154,751	2,876	128.9	41.3	1,211	\$1.5	\$3.1	\$20,560	2.6	1,109	478.5	19.3
2004	159,479	2,514	138.2	41.9	2,157	\$1.6	\$3.2	\$19,998	3.3	1,112	473.2	17.3
2005	164,206	2,425	141.9	44.1	2,196	\$1.8	\$3.4	\$20,316	2.7	1,110	489.6	15.4
2006	169,041	2,509	146.4	46.3	2,119	\$1.9	\$3.7	\$20,496	2.5	1,093	496.3	14.3
2007	173,892	2,491	150.9	48.3	2,049	\$2.0	\$3.9	\$20,469	2.4	1,107	516.3	14.0
2008	178,700	2,416	155.6	50.4	1,938	\$2.1	\$4.1	\$20,549	2.3	1,075	540.0	13.6
2009	183,540	2,420	160.1	52.3	1,818	\$2.2	\$4.3	\$20,435	2.2	1,099	562.9	13.6
2010	188,410	2,423	165.1	54.1	1,745	\$2.3	\$4.5	\$20,511	2.4	1,103	589.3	13.5
2011	193,361	2,481	170.7	55.8	1,704	\$2.5	\$4.7	\$20,563	2.5	1,077	612.9	13.4
2012	198,358	2,507	177.2	57.5	1,668	\$2.6	\$5.0	\$20,546	2.6	1,072	641.3	13.2
2013	203,390	2,528	183.9	59.1	1,588	\$2.7	\$5.2	\$20,517	2.7	1,072	674.0	12.8
2014	208,496	2,592	191.9	60.7	1,581	\$2.9	\$5.5	\$20,580	2.7	1,058	713.1	12.4
2015	213,701	2,682	201.0	62.3	1,593	\$3.0	\$5.8	\$20,616	2.8	1,048	753.6	12.2
2016	218,988	2,756	210.2	63.9	1,627	\$3.2	\$6.2	\$20,704	2.8	1,040	789.0	12.0
2017	224,370	2,844	219.8	65.5	1,645	\$3.3	\$6.5	\$20,741	2.6	1,009	830.9	12.1
2018	229,821	2,903	230.0	67.1	1,642	\$3.5	\$6.9	\$20,875	2.5	1,007	879.2	12.1
2019	235,343	2,952	241.6	68.7	1,654	\$3.7	\$7.3	\$20,995	2.5	999	929.8	12.0
2020	240,921	2,988	254.7	70.4	1,650	\$3.9	\$7.6	\$21,054	2.4	988	988.9	11.9
2021	246,559	3,016	268.9	72.0	1,627	\$4.0	\$8.0	\$21,099	2.4	962	1037.9	11.8
2022	252,266	3,051	284.1	73.6	1,605	\$4.2	\$8.5	\$21,253	2.4	963	1076.2	11.8
2023	258,049	3,087	300.0	75.2	1,602	\$4.5	\$8.9	\$21,402	2.5	936	1119.3	11.7
2024	263,908	3,124	315.9	76.8	1,572	\$4.7	\$9.4	\$21,533	2.5	941	1165.0	11.7
2025	269,833	3,150	332.4	78.3	1,530	\$4.9	\$9.9	\$21,675	2.4	930	1208.0	11.6



Imperial County Employment Forecast

1995-2004 History, 2005-2025 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
1995	48.5	14.5	1.44	1.63	1.18	6.9	1.38	2.33	0.45	1.91	2.79	13.3
1996	47.9	13.8	1.58	1.63	1.33	6.7	1.32	2.06	0.48	2.09	2.70	13.5
1997	48.8	13.9	1.40	1.57	1.43	7.0	1.27	2.19	0.48	2.15	2.78	14.0
1998	49.7	14.3	1.43	1.65	1.46	7.0	1.26	2.05	0.44	2.18	2.84	14.4
1999	51.0	14.4	1.68	1.64	1.51	7.4	1.33	1.79	0.40	2.33	2.90	14.8
2000	50.4	12.3	1.96	1.64	1.57	7.9	1.42	1.90	0.40	2.18	2.93	15.5
2001	50.0	11.3	1.68	1.84	1.72	7.8	1.36	1.70	0.43	2.28	2.81	16.1
2002	50.8	10.1	1.74	2.53	1.73	7.9	1.40	2.11	0.40	2.40	2.85	16.7
2003	51.9	10.8	1.60	2.51	1.86	8.2	1.40	2.19	0.40	2.48	2.67	16.9
2004	51.2	10.4	1.73	2.35	1.81	8.2	1.37	2.06	0.38	2.49	2.92	16.6
2005	51.6	10.1	1.77	2.42	1.83	8.4	1.38	2.01	0.41	2.49	2.71	17.1
2006	52.3	10.0	1.81	2.44	1.82	8.6	1.39	2.00	0.42	2.51	2.83	17.5
2007	52.8	9.9	1.82	2.50	1.80	8.7	1.38	1.99	0.41	2.54	2.75	18.0
2008	53.5	9.8	1.83	2.56	1.79	8.8	1.37	1.99	0.41	2.57	2.81	18.5
2009	53.9	9.8	1.83	2.62	1.78	8.9	1.37	1.99	0.40	2.60	2.79	18.8
2010	54.7	9.7	1.82	2.68	1.78	9.0	1.37	1.99	0.40	2.64	2.81	19.3
2011	55.4	9.7	1.80	2.71	1.79	9.1	1.38	2.00	0.39	2.70	2.80	19.8
2012	56.2	9.7	1.79	2.77	1.82	9.2	1.39	2.00	0.39	2.78	2.82	20.4
2013	57.1	9.7	1.78	2.83	1.85	9.3	1.39	2.01	0.38	2.86	2.81	21.0
2014	58.1	9.6	1.76	2.90	1.89	9.4	1.38	2.01	0.38	2.97	2.83	21.7
2015	59.2	9.6	1.75	2.98	1.95	9.4	1.37	2.02	0.38	3.10	2.82	22.4
2016	60.4	9.6	1.75	3.02	2.02	9.5	1.36	2.03	0.37	3.23	2.83	23.3
2017	61.7	9.5	1.74	3.08	2.09	9.6	1.36	2.03	0.37	3.38	2.83	24.2
2018	63.1	9.4	1.74	3.14	2.18	9.7	1.36	2.04	0.37	3.52	2.83	25.3
2019	64.5	9.4	1.74	3.21	2.28	9.8	1.36	2.05	0.36	3.67	2.85	26.3
2020	65.9	9.3	1.74	3.30	2.38	9.9	1.36	2.05	0.36	3.83	2.84	27.3
2021	67.3	9.3	1.74	3.35	2.50	10.0	1.36	2.06	0.36	4.00	2.86	28.2
2022	68.7	9.2	1.73	3.37	2.62	10.1	1.36	2.07	0.35	4.17	2.86	29.2
2023	70.2	9.2	1.73	3.39	2.76	10.2	1.35	2.07	0.35	4.34	2.87	30.3
2024	71.6	9.1	1.73	3.42	2.90	10.3	1.36	2.08	0.35	4.50	2.88	31.3
2025	73.1	9.0	1.72	3.44	3.05	10.4	1.36	2.08	0.35	4.67	2.89	32.3

